

HCMC - Bad debt was effectively controlled and kept at below 3% of total outstanding loans as of the end of last year, said the State Bank of Vietnam (SBV) in its 2017 report on monetary policy and the banking system.



Representatives of Sacombank and VAMC sign a cooperation agreement on dealing with Sacombank's bad debts in September 2017 - PHOTO: MT

The positive result was achieved owing to the improvement of legal frameworks for restructuring credit institutions and dealing with bad debts such as Scheme No.1058 drafted by SBV, Resolution No.42/2017/QH14 issued by the National Assembly and the amended Law on Credit Institutions.

SBV said this year it would step up the restructuring of the banking sector, and the settlement of bad debt.

A particular success was seen at Saigon Thuong Tin Commercial Bank (Sacombank), which solved more than VND19 trillion (US\$836.8 million) of bad debt and asset backlog last year.

Of the VND19 trillion of bad debt tackled, VND2.8 trillion was liquidated from foreclosed assets, VND2.6-trillion toxic loans were sold to Vietnam Asset Management Company (VAMC) at the market price, and VND14 trillion was recovered from bad debts and receivables.

SBV: Bad debt kept at below 3%

Wednesday, 10 January 2018 08:08

Sacombank's non-performing loan ratio was reduced from 6.68% at the beginning of 2017 to 4.28% in end-2017, and the bank expects to rein in the ratio at 3% this year.

Source: ThesaigonTimes